

REPORTER'S RECORD
VOLUME 1 OF 1 VOLUMES
TRIAL COURT CAUSE NO. 981,824

ERPILE, L.L.C.) IN THE COUNTY CIVIL COURT
vs.) AT LAW NUMBER THREE (3)
OSAMA ABDULLATIF)
AND STEPHEN HUNT) HARRIS COUNTY, T E X A S

HEARING

On the 13th day of June, 2011, the following proceedings came on to be held in the above-titled and numbered cause before the Honorable Linda Storey, Judge Presiding, held in Houston, Harris County, Texas.

Proceedings reported by computerized stenotype machine.

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1 THE COURT: Mr. Abdullatif, you were on
2 the stand. Let me re-swear you in.

3 **OSAMA ABDULLATIF,**
4 having been previously duly sworn, further testified as
5 follows:

6 THE COURT: Do you promise to speak much,
7 much louder?

8 THE WITNESS: Yes, ma'am.

9 THE COURT: I don't remember where we were
10 back and forth.

11 MR. SAMPSON: Your Honor, I was
12 questioning the witness. We were on Exhibit 1,
13 Defendant's Exhibit 1.

14 THE COURT: Exhibit 1, that's the
15 membership regulations?

16 MR. SAMPSON: Yes, Your Honor.

17 THE COURT: And I had admitted that.
18 Okay.

19 MR. SAMPSON: May I approach?

20 THE COURT: Sure.

21 MR. PHILLIPS: As housekeeping, Your
22 Honor, counsel has advised me that he has a series of
23 certified copies of deeds and I agreed that he could
24 mark a copy. He will show me he has a certified and
25 that way we won't have to go to the trouble of switching

1 copies for originals later; and counsel has agreed,
2 correct me if I'm misstating, that on the original
3 documents I have offered into evidence, he has agreed to
4 let me substitute copies at the end of the hearing.

5 *THE COURT:* And my understanding is your
6 co-counsel is going to do the argument?

7 *MR. MORRIS:* Sure.

8 *MR. SAMPSON:* He may.

9 *THE COURT:* Why not? Go ahead.

10 **CROSS-EXAMINATION (CONTINUED)**

11 **BY MR. SAMPSON:**

12 Q. Mr. Abdullatif, last Thursday I believe we left
13 off discussing Exhibit No. 1 which is titled Membership
14 Regulations. Do you see that document in front of you?

15 A. Yes, sir.

16 Q. Who signed these ERPILE membership regulations?

17 A. I did.

18 Q. When did you sign them?

19 A. October 23rd, 2009.

20 *THE COURT:* Didn't we already have
21 cross-examination on this or you just took him on voir
22 dire; that's what it was.

23 *MR. PHILLIPS:* I took him on voir dire.

24 *THE COURT:* And then he said after that "I
25 don't object," right?

1 MR. SAMPSON: I don't remember.

2 MR. PHILLIPS: Yes, Your Honor, I did.

3 THE COURT: I thought that's what he said.
4 Okay.

5 Q. (BY MR. SAMPSON) Mr. Abdullatif, under the
6 membership regulations, that this document describes
7 what the purpose of ERPILE, the company, is regarding
8 acquiring an assignment of a 4.5 million-dollar note; is
9 that right?

10 A. Yes, sir.

11 Q. And what was that note secured by?

12 A. Secured by a property located at 1415 North
13 Loop West in Houston, Texas.

14 Q. Is that the Northpark Office Tower?

15 A. Northpark Office Tower, yes.

16 Q. And down under the Article 3, members, what
17 does the document state regarding the hundred percent
18 ownership or the hundred percent owner of ERPILE?

19 A. Osama Abdullatif.

20 Q. And that's you?

21 A. Yes, sir.

22 Q. And the sole manager of ERPILE, what does the
23 document look like?

24 A. Osama Abdullatif, and that's me.

25 Q. Mr. Abdullatif, have you ever given up any of

1 your interest in ERPILE?

2 A. No, sir.

3 Q. Have you ever been paid anything in exchange
4 for giving up an interest in ERPILE?

5 A. No, sir.

6 MR. SAMPSON: Your Honor, defendants offer
7 Defendant's Exhibit No. 9.

8 MR. PHILLIPS: We have no objections to 9,
9 Your Honor. Nine is identical to what we've had marked
10 for information purposes as Plaintiff's 14. We may or
11 may not use our offer because we have an original.

12 THE COURT: Was that you do or don't
13 object?

14 MR. PHILLIPS: We do not object.

15 THE COURT: Okay. Defendant's 9 is
16 admitted.

17 Q. (BY MR. SAMPSON) Mr. Abdullatif, I'm handing
18 you Exhibit 9.

19 MR. SAMPSON: Your Honor, I'm sorry, I
20 don't have an additional copy of this for you.

21 THE COURT: Just don't expect I'm going to
22 know what it says then.

23 MR. PHILLIPS: I'm sorry, let me make sure
24 every page is the same. I'm sorry, Your Honor.

25 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is 9?

1 A. It says company agreement of ERPILE, LLC.

2 Q. And on the first actual page of the document,
3 what is stated in the first paragraph?

4 A. What article are you under, please?

5 Q. The very first paragraph.

6 A. Says the company agreement dated the 23rd day
7 of October 2009 and this company agreement for ERPILE --
8 you want me to read the whole article?

9 Q. Mr. Abdullatif, could you please read, because
10 the Judge doesn't have a copy of this, this first
11 paragraph?

12 A. "This Company Agreement, dated effective the
13 23rd day of October 2009, is hereby duly adopted as the
14 company agreement for ERPILE, LLC, a Texas limited
15 liability company, by the Managers, and is hereby
16 ratified, confirmed, and approved as such by the sole
17 Member."

18 Q. Thank you. Could you please turn to page 6 of
19 this ERPILE company agreement for me.

20 THE COURT: Is this another agreement that
21 he wrote that he signed himself?

22 MR. SAMPSON: No. This is an agreement
23 that he utilized in forming ERPILE.

24 THE COURT: In the formation. Okay. I
25 was just wondering, because, I mean, I figure as the

1 sole owner, shareholder in his mind, at the very least,
2 he can do whatever he wants, create whatever he wants,
3 and say whatever he wants. My concern is more what
4 happened between the parties rather than what he did
5 unilaterally, but okay.

6 Q. (BY MR. SAMPSON) Under Article 4.4, Mr.
7 Abdullatif, could you please read what that sentence
8 says on page 6, Article 4.4?

9 A. 4.4. "There shall be only one Member of the
10 Company, that being Osama Abdullatif."

11 Q. Did you sign this company agreement on the
12 back, in the back?

13 A. Yes, sir.

14 Q. Where did you get that company agreement?

15 A. This company agreement I got from Ali, from Ali
16 Choudhri.

17 Q. Why did you get this company agreement from Ali
18 Choudhri?

19 A. When the company was formed, I needed one to
20 show the company agreement, that he said he had one
21 available, that he could do for everybody. He offered
22 me one. So, I said fine. I said, "Get it prepared and
23 I'll use it."

24 Q. So, you used the company agreement that Ali
25 Choudhri gave you in order to create that document in

1 Exhibit No. 9?

2 A. Yes.

3 *THE COURT:* Would you do me a favor, go
4 ahead and talk out loud.

5 Are you writing down when they murmur or
6 not as part of the record?

7 *THE REPORTER:* No, Judge.

8 *THE COURT:* Because I just don't know if
9 it's part of the record or I'm supposed to be hearing it
10 because you are not whispering. You are sort of
11 murmuring. I want to make sure I hear what I'm supposed
12 to hear and what goes in the record.

13 *MR. PHILLIPS:* I was trying to see if I
14 had already made a companion of this and I have not,
15 Your Honor.

16 *MR. SAMPSON:* Do you have an objection?

17 *MR. PHILLIPS:* May I look at it?

18 *THE COURT:* What number is that?

19 *MR. SAMPSON:* Exhibit No. 2.

20 *THE COURT:* Bear in mind, counsel, the
21 only exhibit I've laid eyes on so far is No. 1.

22 *MR. SAMPSON:* Sure.

23 *THE COURT:* With all that copying you
24 didn't get me a copy?

25 *MR. SAMPSON:* No, I have it.

1 THE COURT: This is going to be number?

2 MR. SAMPSON: Two.

3 THE COURT: This is my courtesy copy. I
4 don't want to mess it up.

5 (Off the record)

6 MR. PHILLIPS: On Exhibit 2 I have no
7 objection to the exhibit except I do object to the
8 cashier's checks and I would require some type of
9 authentication for them.

10 THE COURT: Okay. Prove them up, counsel.

11 Q. (BY MR. SAMPSON) Mr. Abdullatif, could you
12 please take a look at the last two pages of Exhibit
13 Number 2?

14 A. Yes.

15 Q. What's on those pages?

16 A. The first one is a check in the amount of
17 \$1,500,000 to Ameripoint Title Company and the remitter
18 on that check is Osama Abdullatif and it's dated
19 October 23rd, 2009.

20 Q. Mr. Abdullatif, do you have personal knowledge
21 of that check the copy of which is in Exhibit No. 2?

22 A. Yes, sir, I do.

23 Q. And, in fact, how do you have personal
24 knowledge of that check?

25 A. I tendered this check from Allegiance Bank and

1 I delivered it to the title company and I have it
2 stamped when she received it from me October 23rd
3 signed.

4 *THE COURT:* You have it stamped when she
5 received it. What?

6 *THE WITNESS:* The title company officer at
7 the time, she signed reception of that check from me and
8 give me a copy of it.

9 Q. (BY MR. SAMPSON) The second copy of the check
10 that's in Exhibit No. 2, what is that?

11 A. It's a cashier's check from, made from Sterling
12 Bank for the amount of \$900,000. It is dated
13 October 23rd, 2009, the same day. It is also made to
14 Ameripoint Title and ERPILE, LLC, Osama Abdullatif.

15 Q. Do you have personal knowledge of that check in
16 that copy of the exhibit?

17 A. Yes, sir, I do.

18 *MR. SAMPSON:* Your Honor, I move to admit,
19 and if you'd like --

20 *THE COURT:* I think they proved it up, so
21 do you have an objection now?

22 *MR. PHILLIPS:* None, Your Honor.

23 *THE COURT:* What number is that?

24 *MR. SAMPSON:* May I leave it as Exhibit
25 No. 2?

1 THE COURT: You're saying it's part of
2 Exhibit No. 2. So, you don't have any objection to any
3 part of No. 2 now?

4 MR. PHILLIPS: At this point I do not have
5 an objection to Exhibit No. 2.

6 THE COURT: Leave it as Exhibit No. 2 and
7 hold. I didn't realize it was only a part of Exhibit
8 Number 2.

9 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is
10 Exhibit No. 2?

11 A. An assignment of note and liens.

12 Q. Can you tell the Court what was going on in
13 connection with this assignment/transaction as reflected
14 in Exhibit No. 2?

15 A. This is an assignment of the note from the
16 holder of the note, of the note called Architecture
17 Services International. It's known as ASI dated
18 October 27, 2009. And assigned the note and the deed of
19 trust that they have in their possession to ERPILE, LLC.
20 You want me to continue?

21 Q. No, that's fine. The note that I think we saw
22 referred to in the ERPILE regulation, 4.5-million-dollar
23 notes regarding the Northpark Office Tower, is that what
24 is being assigned here?

25 A. Yes. It's a promissory note, original date of

1 it, March 16th, 2006, and made by Northpark Office
2 Tower, LP and then 4 and a half million dollars original
3 amount.

4 *THE COURT:* Let me ask a question. Is
5 this before or after the alleged resignation of Mr.
6 Abdullatif?

7 *MR. SAMPSON:* Before.

8 *THE COURT:* I was going to say this case
9 is getting weirder and weirder. At this point everybody
10 agrees he was still in the company.

11 *MR. PHILLIPS:* Yes, Your Honor.

12 Q. (BY MR. SAMPSON) Who signed this assignment of
13 note and liens on behalf of ERPILE?

14 A. Osama Abdullatif.

15 Q. Did you sign it, sir?

16 A. Yes, sir.

17 Q. On the first page of Exhibit No. 2, this
18 document states \$2.395 million was in consideration
19 exchanged for the note and the lien, right?

20 A. Yes, sir.

21 *THE COURT:* Counsel, you need to know,
22 it's been a long day. This has already been a long
23 hearing. I'm just not seeing why this is relevant since
24 it is not disputed. He was in the country at the time
25 this happened. How is it relevant to what the issues

1 actually are?

2 MR. SAMPSON: Because Mr. Abdullatif
3 through ERPILE purchased this note and lien.

4 THE COURT: Mr. Abdullatif didn't do it.
5 ERPILE did. He did it on behalf of ERPILE.

6 MR. SAMPSON: Through ERPILE, yes.

7 THE COURT: On behalf of ERPILE.

8 MR. SAMPSON: On behalf of ERPILE.

9 THE COURT: There's a difference.

10 MR. SAMPSON: Yes. He buys it on behalf
11 of ERPILE, a release of this lien that he paid, that
12 ERPILE paid \$2.4 million.

13 THE COURT: That's the question. Did he
14 personally pay it or was it ERPILE funds?

15 MR. SAMPSON: I am going to ask him.

16 THE COURT: Nobody disputes he was in
17 ERPILE at this time.

18 MR. SAMPSON: What the other side says, in
19 fact, Mr. Wakeland who filed responses on behalf of or
20 as the agent for ERPILE, what they say is that at the
21 same time that Mr. Abdullatif paid this money and bought
22 the note as ERPILE, that he also signed the resignation
23 and the assignment of membership interest.

24 THE COURT: That's why I'm asking, was it
25 at the same time?

1 MR. SAMPSON: At the same time.

2 THE COURT: Everybody just said it was
3 before. That's why I asked the question.

4 MR. SAMPSON: They say it was before. I
5 take it that it was before, because we say that the
6 resignation of membership assignment never occurred,
7 Your Honor.

8 THE COURT: I get that. Assuming that it
9 did, is the date on the resignation before or after the
10 date on this? I didn't memorize the date.

11 MR. SAMPSON: It's dated November 15, 2010
12 after this.

13 THE COURT: Okay.

14 MR. SAMPSON: They say it was signed at
15 the same time.

16 THE COURT: Do they?

17 MR. PHILLIPS: There were five documents
18 signed at the same time; and at the time we get back on
19 our case in chief, he signed off.

20 THE COURT: So your contention is that he
21 laid out a couple of million dollars and resigned from
22 the company on the same day?

23 MR. PHILLIPS: My position is he took --
24 he invested in the company that which he was to invest.
25 My client, Ali Choudhri, invested what he was to invest,

1 six hundred and one eight, I think. He also signed
2 these other two documents that would exit him from the
3 company to be held for certain circumstances, which
4 we'll get into on the same day.

5 *THE COURT:* Mr. Fleming, I noticed you
6 stood up and Mr. Tang has disappeared. I ran him off.

7 *MR. FLEMING:* From the hearing we had in
8 January, there was a series of documents which Mr.
9 Abdullatif never admitted signing. Sort of went in
10 circles with him.

11 Remember, it was our contention and it was
12 in the documents that we admitted that Mr. Abdullatif
13 and Mr. Choudhri set up this company where he was going
14 to be the manager at the site agreements so that
15 Mr. Choudhri or his designee could take control of it if
16 he deemed it necessary. So, those are those two
17 resignation documents signed which are, basically, held
18 in trust so that they could be activated later. That's
19 why they were signed by Mr. Abdullatif a year before Mr.
20 Wakeland actually signed it.

21 *THE COURT:* Not because it needed to be
22 more confusing or anything.

23 *MR. SAMPSON:* That's why I am laying the
24 chronology as to ownership and what happened. Because
25 what ended up happening was that Mr. Abdullatif gets cut

1 out of not only the note and the lien but also his
2 company is left with nothing when he pays his 2.4 --

3 *THE COURT:* They didn't get rid of his
4 interest completely, did they?

5 *MR. SAMPSON:* That's what they say.
6 That's why we're here. They say he had zero interest in
7 ERPILE.

8 My only quick response, Your Honor, to
9 what Mr. Fleming just said is that, and we can go over
10 this, the participation agreement that you heard a lot
11 about, you went through it in the January hearing,
12 there's a participation agreement that Mr. Abdullatif
13 says he never signed. The other side uses that to say
14 he was giving up an interest in ERPILE. The
15 participation agreement, even if it had been signed, all
16 it would do is give Ali Choudhri an interest in the
17 note, not in the company.

18 *THE COURT:* I get that. Let me ask one of
19 you two. You are not contending that he is not entitled
20 to his lien that he has individually, right? You are
21 saying you can't go and sell the property without
22 accommodating my lien.

23 *MR. PHILLIPS:* I think I can answer the
24 question, Your Honor. This is an inception title issue.
25 The factual representations that I believe he will

1 testify today is that he refused to file the assignment
2 and demanded a bunch of extra money. As a result of it,
3 it triggered two other documents.

4 *THE COURT:* Hang on. My understanding of
5 why this injunction was originally filed was that
6 you-all came to me and said, "Hey, our \$600,000 wasn't
7 accommodated here. Because we have this interest in the
8 property, you can't sell it out from under us."

9 *MR. FLEMING:* They are bound by the
10 participation agreement. I guess that's the short
11 answer. They had this agreement that he would do this
12 assignment and be held in trust. His compensation is
13 laid out --

14 *THE COURT:* He is not uncompensated here.
15 It's laid out in the agreement. It's not he owns
16 nothing.

17 *MR. FLEMING:* If you recall from the first
18 hearing, the motivation for that first hearing was, one,
19 the foreclosure; and, two, he started demanding more
20 money than he was entitled to in the participation.

21 *THE COURT:* I get that. But I'm saying
22 your contention that he is entitled to absolutely
23 nothing is not what they are saying. He is entitled to
24 all the rights he has under the participation agreement
25 which is not nothing.

1 MR. FLEMING: Yes.

2 MR. SAMPSON: What I was saying is that
3 they allege here that he has zero interest in ERPILE.

4 THE COURT: I get that. They are saying
5 he has zero interest in ERPILE, except for what is due
6 under the participation agreement --

7 MR. FLEMING: Right.

8 THE COURT: -- and he no longer has any
9 right to run it because he signed all the other
10 documents.

11 MR. FLEMING: Right.

12 THE COURT: I think that's different from
13 saying he has no anything because of the agreement.

14 MR. SAMPSON: I don't know what they are
15 going to end up saying that he individually is entitled
16 to receive.

17 THE COURT: Where is the participation
18 agreement? What number is that?

19 MR. SAMPSON: I know it was part of their
20 Exhibit No. 1.

21 THE COURT: It's part of Exhibit 1. Could
22 somebody hand me --

23 MR. FLEMING: It's in the transcript, Your
24 Honor.

25 THE COURT: Somebody hand me that, because

1 those are down there and not up here. I want to go
2 ahead and take a look at that right this second. I know
3 it's frustrating when I keep stopping you; but if I
4 don't follow along as the questions come up, I can't
5 follow along. Is this one of the ones that's a piece of
6 the transcript from the original?

7 MR. SAMPSON: It is. We objected to it
8 based on foundation.

9 THE COURT: I know you. You don't like
10 it. I get it.

11 MR. FLEMING: It's also, the other issue,
12 is the \$750,000 that he took --

13 THE COURT: I get the issues are different
14 in this case than they were in that case. Under the
15 participation agreement, exactly what is he entitled to?
16 He is the principal, right, under it?

17 MR. FLEMING: Yes.

18 THE COURT: And that means the principal's
19 commitment is 1.8. The principal's return is 1.8 plus
20 3.

21 MR. FLEMING: Yes.

22 THE COURT: So, they are saying he is
23 entitled to 1.8 plus 3 eventually whenever everything
24 kicks in which is 2.1.

25 MR. SAMPSON: I don't know if they've

1 admitted that or not.

2 *THE COURT:* I don't know that they are not
3 admitting that. I mean, that's what it says.

4 *MR. PHILLIPS:* In this Exhibit 7 which is
5 in evidence, Your Honor.

6 *THE COURT:* I'm holding it. I am holding
7 Exhibit 7, the original, it says, the actual original.
8 I just want to see what it said.

9 You can go ahead. You have to tolerate me
10 interrupting when I don't understand something. I am
11 trying to understand.

12 *Q. (BY MR. SAMPSON)* Mr. Abdullatif, where did the
13 \$2.4 million come from that was paid as shown in Exhibit
14 No. 2 for the assignment of this Northpark note and
15 lien?

16 *A.* From my bank.

17 *THE COURT:* I still don't get how this is
18 relevant. How is this relevant? What are you talking
19 about? Is it just me that doesn't think it's relevant?

20 *MR. SAMPSON:* It's relevant, Your Honor,
21 because, in part, to disprove the participation
22 agreement. That participation agreement purports to say
23 that he is going to pay 1.8, somebody else is going to
24 pay six hundred.

25 *THE COURT:* They actually did pay six

1 hundred. I've seen the check. That's the one that
2 cleared.

3 *MR. SAMPSON:* I am about to show you what
4 that check was paid for.

5 *THE COURT:* I remember looking at it and
6 seeing his signature on the back. It wasn't signed over
7 to anybody else.

8 *MR. SAMPSON:* You're right.

9 *THE COURT:* At least the copy I had.

10 *MR. SAMPSON:* Sure.

11 *THE COURT:* Which looks like he put it in
12 this bank account.

13 *MR. SAMPSON:* It does until you see the
14 receipt from the trustee at a foreclosure sale who notes
15 those two specific checks in those amounts from those
16 banks. The receipt is signed by Ali Choudhri for the
17 purchase of a property --

18 *THE COURT:* Hang on. But what he did with
19 the money, what does that have to do with they paid him
20 the money? He could have done anything he wanted with
21 the money.

22 *MR. SAMPSON:* The receipt shows that the
23 \$600,000 was paid by Ali Choudhri for the purchase of a
24 property or foreclosure sale. It has nothing to do with
25 it.

1 THE COURT: The money was not paid by Mr.
2 Choudhri to somebody else. It was paid to him, Mr.
3 Abdullatif.

4 MR. SAMPSON: That's not what the receipt
5 shows.

6 THE COURT: That's how the check is made
7 out.

8 MR. SAMPSON: The check is made out, I
9 believe, to Ali Choudhri himself. I'll get to that.

10 THE COURT: If it was made out to Ali
11 Choudhri, it wouldn't have your client's endorsement on
12 the back.

13 MR. SAMPSON: You're right, but Mr.
14 Abdullatif can talk about this foreclosure sale.

15 THE COURT: Hand me the whole transcript,
16 please, so I can look at the exhibits. I know you feel
17 like you are doing this more than once, but I'm just not
18 understanding how what you are trying to get at now is
19 relevant to the issue in hand.

20 MR. SAMPSON: I haven't done this yet at
21 all, Your Honor. Y'all have done it before, but I
22 haven't.

23 THE COURT: I know you haven't done it at
24 all. But I feel I've done it a lot.

25 MR. SAMPSON: I know you do. I can tell,

1 Your Honor.

2 *THE COURT:* You would think I didn't have
3 questions still. The problem is the gap in time, even
4 though I read the transcript.

5 Okay. Endorsed and given to him and then
6 it is signed by him. Yeah, that's weird. I don't know
7 what to say about that. The whole thing is weird. I
8 mean, you're right. It does say what it says. They are
9 made out to their client and then it says -- and who
10 knows who wrote that, right? Endorsed and given to, the
11 date and then allegedly signed by your client.

12 *MR. SAMPSON:* If it is his signature,
13 he'll agree to it. If not, he will say it's not.

14 *MR. FLEMING:* It's not the way it was in
15 January.

16 *MR. SAMPSON:* I object to the sidebar.

17 *THE COURT:* Overruled. He is not wrong.

18 *MR. SAMPSON:* Mr. Abdullatif consistently
19 said when things were and weren't his signature.

20 *THE COURT:* Counsel, look, I was there.
21 You weren't.

22 *MR. FLEMING:* Consistently said it looks
23 like my signature.

24 *THE COURT:* I made a judgment on that, I
25 think, pretty clearly on the record.

1 MR. SAMPSON: May we proceed, Your Honor?

2 THE COURT: Yes.

3 Q. (BY MR. SAMPSON) Mr. Abdullatif, was there any
4 contribution toward the \$2.4 million that was paid for
5 the assignment of the Northpark note and lien from Ali
6 Choudhri?

7 A. No, sir.

8 Q. Was there any contribution toward that
9 \$2.4 million by anyone else other than you?

10 A. No, sir.

11 Q. What was the security for that note?

12 A. Promissory note secured by Northpark Office
13 Tower, LP, on a property located at 1415 North Loop West
14 in Houston, Texas.

15 Q. Mr. Abdullatif, have you ever released the note
16 or the lien that was assigned to ERPILE through Exhibit
17 No. 2?

18 A. No, sir.

19 Q. Have you ever authorized anyone else to release
20 the lien or the note reflected in Exhibit No. 2?

21 A. No, sir.

22 Q. Were you or ERPILE ever paid the principal and
23 interest on that note?

24 A. No.

25 Q. Who owed money on that note that ERPILE

1 purchased?

2 A. Northpark Office Tower, LP.

3 Q. Let me back up. Was ERPILE paying off that
4 note or buying that note?

5 A. No, it was -- I purchased -- ERPILE was
6 purchasing the note and it was assigned.

7 Q. Who owned the note at the time? Who owed money
8 on the note at the time?

9 A. Northpark Office Tower, LP.

10 Q. Who was the individual that was in charge of
11 running, that you dealt with, in terms of running
12 Northpark in 2009 and 2010?

13 A. Ali Choudhri.

14 Q. Who represented Northpark, LP in a bankruptcy
15 matter in early 2010?

16 A. Richard Wakeland at that time.

17 Q. So, both Richard Wakeland and Ali Choudhri were
18 affiliated with the entity that owed ERPILE \$2.5
19 million?

20 MR. PHILLIPS: Objection, leading.

21 THE COURT: I think he was just restating.
22 Overruled.

23 A. Yes.

24 Q. (BY MR. SAMPSON) Mr. Abdullatif, in
25 November 2009 did Ali Choudhri pay \$600,000 to anybody

1 in a transaction that you were involved with?

2 A. Yes, sir.

3 Q. Who did you pay the money to?

4 A. To our trustee named Jeff Leva.

5 THE COURT: Named Jeff who?

6 THE WITNESS: Leva, L-E-V-A, I believe.

7 THE COURT: L-E-V-E-R?

8 THE WITNESS: L-E-V-A, I think.

9 THE COURT: L-E-V-A-R.

10 THE WITNESS: No, there's no "r," Your
11 Honor.

12 THE COURT: Leva?

13 THE WITNESS: Yes.

14 Q. (BY MR. SAMPSON) What was the transaction
15 involving?

16 A. It involved purchasing a property located in
17 Bellaire, Texas.

18 THE COURT: Isn't this all hearsay unless
19 Mr. Leva is going to come testify? Did he invite him?

20 MR. SAMPSON: No, it's not hearsay,
21 because we're going to have Mr. Abdullatif prove up this
22 receipt.

23 THE COURT: You just asked him whether or
24 not their client paid this other person money, even
25 though your client is the one who endorsed the check

1 over somebody, apparently. I don't understand, but
2 okay.

3 Q. (BY MR. SAMPSON) This is Defendant's Exhibit 3.

4 MR. PHILLIPS: I object that the answer is
5 nonresponsive, Your Honor.

6 THE COURT: Sustained. Has this been
7 admitted yet counsel?

8 MR. SAMPSON: No, Your Honor.

9 THE COURT: I don't know what it is,
10 85501.

11 MR. SAMPSON: I'm about to ask him. I do
12 have an original on this if the Court would like to hold
13 this while we're proving it up.

14 THE COURT: Are you going to object to
15 this, counsel? Show him the original, please. Have
16 y'all exchanged these and have they seen it before?

17 MR. SAMPSON: I don't know. I don't think
18 so. They should, I mean, if I should have it.

19 THE COURT: You need to exchange things
20 before you get them to me for the first time.

21 MR. SAMPSON: There are things that I
22 haven't seen as well, Your Honor.

23 THE COURT: Some of that is because you
24 are kind of late to the case.

25 MR. PHILLIPS: We object. We will have an

1 objection. He would be required to do predicate on
2 that.

3 *THE COURT:* To do what?

4 *MR. PHILLIPS:* He hasn't laid the
5 predicate.

6 *THE COURT:* He would like you to lay the
7 predicate, if you can, I think is what he's saying.

8 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is
9 Exhibit No. 3?

10 A. Exhibit No. 3 is a receipt for purchase
11 acknowledgment, usually given by trustee at a trustee
12 sale. Describes the properties being sold and money
13 collected by the trustee.

14 Q. Do you have personal knowledge of this document
15 in Exhibit No. 3?

16 A. Yes, sir, I do.

17 Q. What's the name of the company, the vesting
18 name of the company, that was the purchaser under this
19 receipt?

20 A. Latif and Company.

21 Q. Is that your company?

22 A. Yes, sir.

23 *THE COURT:* Counsel, let me look at the
24 other one. Things are cut off like signatures here.
25 That is not a good copy. I don't understand what it is,

1 other than a receipt. Let me see what else it is.
2 Substitute trustee.

3 MR. SAMPSON: Your Honor, it's a receipt
4 you get when you buy something at the courthouse at a
5 foreclosure sale.

6 THE COURT: I've never done that, so I
7 don't know.

8 MR. SAMPSON: I haven't either.

9 THE COURT: I thought you got a deed.
10 That's all I ever see is constable's deed. This is
11 Osama Latif. Is that supposed to be Abdullatif? It's
12 not the same name. Is that an alias?

13 THE WITNESS: Can I answer that, Your
14 Honor?

15 THE COURT: Sure.

16 THE WITNESS: I signed as Osama Latif.
17 I'm known as Osama Latif. My full name is Osama
18 Abdullatif.

19 THE COURT: Okay. That is an alias.

20 MR. SAMPSON: May I go on with predicate?

21 THE COURT: Yes.

22 Q. (BY MR. SAMPSON) Mr. Abdullatif, who is the
23 custodian of records from Latif and Company?

24 A. I am.

25 Q. In this document in Exhibit No. 3, is it a true

1 and correct copy of the original?

2 A. Yes, sir.

3 Q. Was this document made at or near the time,
4 that being November 3rd, 2009, by a person with
5 knowledge of the contents?

6 A. Yes, sir.

7 Q. Has this document been kept by Latif and
8 Company in the course of its regularly conducted
9 business?

10 A. Yes.

11 MR. SAMPSON: Your Honor, we move Exhibit
12 No. 3 be admitted.

13 MR. PHILLIPS: Our objection is that it's
14 hearsay. The proper predicate hadn't been made because
15 the original would be the best evidence.

16 THE COURT: It's in my hand.

17 MR. PHILLIPS: It's a copy of an original.

18 MR. SAMPSON: It's the original receipt.

19 THE COURT: Let me tell you my problem
20 with it. I still don't understand why his endorsement
21 is the last one on the check before it cleared the bank.
22 Mr. Leva isn't here to explain this and I get that it's
23 listed here but I don't know who wrote it.

24 MR. PHILLIPS: That is the other part of
25 my objection.

1 *THE COURT:* Insofar as those questions are
2 unanswered, I'm going to sustain his objection.

3 *MR. SAMPSON:* Your Honor, I just got
4 through proving it up as a business records exception.

5 *THE COURT:* Well, that doesn't mean it
6 just comes in.

7 *MR. SAMPSON:* It means that it is not
8 hearsay which is their objection. I'm going to have Mr.
9 Abdullatif explain the answers to those questions as I
10 go through the documents.

11 *THE COURT:* Well, let's start with those
12 and then offer it.

13 *MR. PHILLIPS:* May I finish the objection?

14 *THE COURT:* Yes.

15 *MR. PHILLIPS:* You can't use your own
16 business records to turn a document into probated
17 evidence that you are intending to use. His
18 manufactured business record which is a copy of some
19 document, and it comes in for the truth of the matter
20 stated.

21 *THE COURT:* I don't know that it's
22 manufactured. I am not going that far. I am saying
23 that he didn't write it. There's still a problem with
24 the face of the check. He's the last endorsement on the
25 check. Mr. Trustee didn't endorse it. So, how do you

1 explain that it went through a bank?

2 *THE WITNESS:* Can I answer?

3 *MR. SAMPSON:* I'll ask him that question.

4 *THE COURT:* Okay. Do that. Maybe I'll
5 change my mind, but right now their objection is
6 sustained.

7 *MR. SAMPSON:* May I approach, Your Honor?

8 *THE COURT:* Yes.

9 Q. (BY MR. SAMPSON) Mr. Abdullatif, did you sign
10 this document, Exhibit No. 3?

11 A. Yes, I did.

12 Q. Were you present when Mr. Ali Choudhri signed
13 it as well?

14 A. Yes, sir, I was.

15 *MR. SAMPSON:* I want to use these checks
16 in Exhibit No. 1, Your Honor.

17 *THE COURT:* Okay. The one with his
18 signature is the last one. Mr. Leva, the substitute
19 trustee, did not endorse it.

20 *MR. SAMPSON:* Right.

21 *THE COURT:* How is that? Ask him. I know
22 it's frustrating, but it's an important question.

23 Q. (BY MR. SAMPSON) Could you take a look at
24 Plaintiff's Exhibit 8 which is attached to Plaintiff's
25 Exhibit 1 in this hearing. Do you see those checks?

1 A. Yes, sir, I do.

2 Q. As we compare those checks to the checks listed
3 on Exhibit No. 3, is one of those checks Check No.
4 9010383837?

5 A. Yes, sir.

6 Q. What's the amount of that check in Exhibit No.
7 8 to Plaintiff's 1?

8 A. \$300,000.

9 Q. What bank is it drawn on?

10 A. Capital One.

11 Q. The second check that is copied in Plaintiff's
12 8 to Plaintiff's 1, is that Check No. 9010383836?

13 A. Yes, sir.

14 Q. Is the amount \$300,000 on that check?

15 A. Yes.

16 Q. Is it drawn on Capital One Bank?

17 A. Yes, sir.

18 Q. Mr. Abdullatif, who tendered those two
19 300,000-dollar checks to the bank trustee? Who actually
20 handed it to him?

21 A. Ali Choudhri.

22 Q. Were you standing there with Mr. Ali Choudhri?

23 A. Yes, sir.

24 Q. Why were the checks tendered to the bankruptcy
25 trustee?

1 A. To be for the trustee deed we buying from him.

2 Q. For this property up in the legal description?

3 A. For the property in the legal description
4 located in Bellaire, Texas.

5 Q. Did the property that these checks pertain to
6 have anything to do with Northpark Office Tower?

7 A. No.

8 Q. Did it have anything to do with ERPILE?

9 A. No.

10 Q. Why is it that the -- first of all, were you
11 present when those checks were endorsed?

12 A. Yes.

13 Q. Why were the checks endorsed the way they were
14 endorsed?

15 A. In most cases --

16 Q. I'm just asking why these checks were endorsed
17 the way they were endorsed.

18 A. That's what the trustee asked us to endorse.
19 That's what the trustee requirement was.

20 Q. Who actually made that endorsement?

21 A. Endorse given to Osama Abdullatif. I endorse
22 on the bottom, November 3rd, 2009.

23 Q. And that's actually the date of the trustee
24 sale that is listed on Exhibit No. 3?

25 A. Yes, sir.

1 Q. The reason the checks were endorsed the way
2 they were, that's what the bankruptcy -- or the
3 foreclosure trustee told you to do?

4 A. Yes.

5 MR. SAMPSON: Your Honor, we would tender
6 Exhibit No. 3.

7 THE COURT: Tell me again how it is that
8 they ran through a bank -- if endorsed them over to the
9 trustee, how did they get cash? I don't know how he can
10 answer this. If you gave the checks to the trustee,
11 where is the trustee's endorsement or signature into a
12 bank?

13 MR. SAMPSON: Do y'all have the originals
14 of those checks?

15 MR. PHILLIPS: We have what we have when
16 we offered them into evidence.

17 THE COURT: That wasn't his question.

18 MR. PHILLIPS: I don't have the originals.

19 THE COURT: The bank has the originals.
20 Your guess is there's another endorsement under the
21 magic line?

22 MR. SAMPSON: Not an endorsement but a
23 stamp or some kind of computer generated --

24 THE COURT: An electronic deal. Like they
25 run through an electronic machine.

1 MR. SAMPSON: You can see some light
2 writing here on the back. I don't have the original.
3 The only evidence is that they were given pursuant to
4 the --

5 THE COURT: Even if that's true, let's say
6 they went through to the trustee, how does that still
7 not constitute a payment from Mr. Choudhri to Mr.
8 Abdullatif?

9 MR. SAMPSON: It does. It does not
10 constitute a payment from Mr. Choudhri to Mr. Abdullatif
11 under a participation agreement or for ERPILE or for
12 Northpark.

13 THE COURT: Even though it's the exact
14 \$600,000 that needs to be required under the agreement?

15 MR. SAMPSON: The reason, Your Honor, is
16 because that participation agreement was manufactured
17 after the fact by Mr. Ali Choudhri. He is using these
18 payments that he made for something totally unrelated in
19 order to be able to come back in --

20 THE COURT: I get it. Your case is going
21 to be that they manufactured a case; and their case is
22 that you manufactured the case. All right. I got it.

23 MR. PHILLIPS: We object to the hearsay.

24 THE COURT: He is testifying. I asked him
25 specifically what is the theory behind this. He just

1 answered me. So, overruled.

2 MR. SAMPSON: Plaintiff's Exhibit 3 is in,
3 Your Honor?

4 MR. PHILLIPS: It's still hearsay. You
5 can't use your business records for probated evidence.
6 You can use someone else's business records, but not
7 your own.

8 THE COURT: I have not admitted this into
9 evidence. I have admitted the testimony. I am thinking
10 about it. I get your point.

11 MR. SAMPSON: The custodian for the
12 company --

13 THE COURT: I don't necessarily doubt that
14 it happened. I'm going to go ahead and admit it. It
15 will be Defendant's what?

16 MR. SAMPSON: Three, Your Honor.

17 THE COURT: He still gave him \$600,000. I
18 understand your theory behind it. It's still two checks
19 from their client in the amount of \$600,000 to your
20 client, whatever they were used for. I get that you are
21 saying they had this agreement and that's not what the
22 money was for but it's still, you know, I get it.

23 MR. SAMPSON: The reason is simply to show
24 that the money was not paid for any interest in
25 Northpark --

1 THE COURT: I get that that's your
2 contention, but that is one of the issues.

3 MR. SAMPSON: It is which is disputed by
4 this --

5 THE COURT: I don't think that disputes it
6 at all, but okay.

7 Q. (BY MR. SAMPSON) Mr. Abdullatif, has Ali
8 Choudhri ever paid you money or given you anything of
9 value to buy an interest in the Northpark
10 45-million-dollar note?

11 A. No, sir.

12 Q. Has anyone ever paid you any money or given you
13 anything of value to buy an interest in that
14 45-million-dollar Northpark note?

15 A. No.

16 Q. Has Ali Choudhri or anyone else ever given you
17 anything of value to buy an interest in ERPILE?

18 A. No.

19 Q. Have you ever resigned from ERPILE?

20 A. No, sir.

21 Q. Have you ever signed a resignation document
22 from ERPILE?

23 A. No.

24 Q. Have you ever received any money or any
25 payments in exchange for resigning from ERPILE?

1 A. No.

2 Q. Have you ever signed an assignment of
3 membership interest in ERPILE?

4 A. No.

5 Q. Have you ever received any payment or anything
6 of value in exchange for an assignment of membership
7 interest in ERPILE?

8 A. No.

9 MR. SAMPSON: Your Honor, may I approach?

10 THE COURT: All right. Show it to
11 opposing counsel before you bring it up.

12 MR. SAMPSON: Sure. This is Richard
13 Wakeland -- Your Honor, I'll identify this. This was
14 Document Exhibit 2 to the abatement proceeding. It is
15 Defendant Richard Wakeland Rule 12 motion challenging
16 authority in the district court matter and it is
17 verified --

18 THE COURT: What does that have to do with
19 this case?

20 MR. SAMPSON: Because in it Mr. Wakeland,
21 who is the agent who filed this lawsuit for ERPILE, says
22 that the resignation and the assignment of membership
23 interest document that you asked about earlier were
24 actually signed at the same time that my client paid the
25 money to buy the note. You said because it's true why

1 would anybody pay \$2.4 million and then just give up and
2 resign the company and assign their membership interest
3 for it. They wouldn't.

4 *THE COURT:* How is he going to prove -- is
5 that already in evidence?

6 *MR. SAMPSON:* No, it is a statement by a
7 party opponent.

8 *THE COURT:* Why are you introducing it
9 through him?

10 *MR. SAMPSON:* Because he is the witness.

11 *THE COURT:* He didn't write it.

12 *MR. SAMPSON:* You're right.

13 *THE COURT:* So you can't prove that up
14 through him.

15 *MR. SAMPSON:* He knows what it is. He's
16 seen it.

17 *THE COURT:* You can't prove that up
18 through him. You can prove it up through Mr. Wakefield.
19 Is that his name?

20 *MR. PHILLIPS:* Wakeland, Your Honor.

21 *MR. SAMPSON:* To be honest, Your Honor,
22 we've already talked about this. I think they've
23 already acknowledged that their position is that the
24 assignment of membership interest and the resignation
25 were allegedly signed back in October of 2009 at the

1 same time my client paid a bunch of money.

2 *THE COURT:* I get that. But you can't put
3 a sworn statement in through somebody else through this
4 witness, so do something else.

5 *MR. SAMPSON:* I am not going to do that.

6 *Q. (BY MR. SAMPSON)* Mr. Abdullatif, did you
7 discover anything interesting about ERPILE's
8 4.5-million-dollar note and lien in December of 2010?

9 *MR. PHILLIPS:* Objection, that's --

10 *THE COURT:* Clearly there's something they
11 want to tell you so just let them tell you.

12 *A.* Yes.

13 *Q. (BY MR. SAMPSON)* What did you see?

14 *A.* I seen in public records, real estate public
15 records, assignments and new liens and new releases.

16 *MR. SAMPSON:* Your Honor, defendants would
17 offer --

18 *MR. PHILLIPS:* Could I get a copy of it?

19 *MR. SAMPSON:* Yes. Defendants would offer
20 as Exhibit 4 a September 9, 2009 lien release. I don't
21 believe there's any objection.

22 *THE COURT:* Is there an objection?

23 *MR. PHILLIPS:* There's no objection, Your
24 Honor.

25 *THE COURT:* Defendant's 4 is admitted

1 without objection.

2 MR. SAMPSON: Your Honor, I don't have a
3 copy.

4 THE COURT: Let me look at it and I'll
5 hand it back. I don't need very long just give me a
6 second. Tell me what is the legal effect of this.

7 MR. SAMPSON: This is a release of lien.
8 It is a release, purported release, of the lien that
9 ERPILE bought on October 27, 2009.

10 THE COURT: So the legal effect of that?
11 Just give it to me in plain English. What does it mean?

12 MR. SAMPSON: It means that Ali Choudhri
13 or somebody connected with Ali Choudhri had this
14 September 9, 2009 lien release in his pocket, allowed my
15 client to buy this note and lien and a year later, you
16 can see the date this was actually filed of record,
17 October 22, 2010, a year after this was signed, it was
18 filed of record to purportedly extinguish the lien that
19 my client had paid \$2.4 million for.

20 THE COURT: After this was signed?

21 MR. SAMPSON: Yes.

22 THE COURT: That's weird, counsel. What
23 about that?

24 MR. PHILLIPS: Well, it's very simple,
25 Your Honor. That release was sent to a title company.

1 The title company had it. Mr. Osama refused to file the
2 assignment and demanded he be paid 900,000 or a million
3 dollars. It triggered the, removing him from the
4 company based upon the participation agreement and the
5 transaction was completed.

6 *THE COURT:* So, you're saying the trigger
7 happened back in '09?

8 *MR. PHILLIPS:* The date of this document
9 is ASI signed that document and tendered it to a title
10 company to be distributed once the loan was funded. A
11 decision was made to assign the note rather than release
12 the lien. That release was sitting at the title
13 company. Mr. Osama refused to file the assignment. As
14 you will see the exhibit that is in evidence has not
15 been filed of record, yet, he's sued a bank for taking
16 action --

17 *THE COURT:* You've lost me. Which
18 assignment? You are talking about Defendant's 2?

19 *MR. PHILLIPS:* Yes, ma'am. He refused to
20 comply with his agreement by filing the assignment and
21 holding the transaction up for more money than his
22 \$300,000.

23 *THE COURT:* His 1.7 plus three.

24 *MR. PHILLIPS:* His agreement in the
25 participation agreement was I'll furnish a million

1 eight. I'll get 300 -- a million eight plus six is 2.4.
2 I'll receive \$300,000 as a fixed profit; and I'll get a
3 new loan. In exchange for that I'll make this \$300,000
4 off my million eight investment. He received, after
5 this 2.4 was paid, he was given that assignment. He was
6 supposed to follow the assignment. He refused to file
7 the assignment. So, it killed the transaction and they
8 couldn't go forward.

9 After a number of demands it became clear,
10 he was holding the transaction up for an additional
11 900,000 or a million. The other two documents were
12 filled in and the transaction was completed with a
13 release because by that point in time there had to be a
14 new note made. We had the witness here yesterday or at
15 the preceding hearing. I asked for him to make sure his
16 office said he'd come back. I didn't realize it would
17 be necessary today. But prepared all the documents and
18 will give direct testimony on the preparation of the
19 documents and how they are used. That's the Haynes and
20 Boone lawyer whose named Bruce Merwin.

21 *THE COURT:* All right.

22 *MR. SAMPSON:* That lien release that is in
23 Exhibit No. 4, this lien release was signed in September
24 of '09 in connection with an attempted bank refinancing
25 by Northpark, this building. Because refinancing was

1 going to be done, because the bank was going to make a
2 new loan, the old note had to be released. That's why
3 this document was signed by ASI as a lien release in
4 connection with this attempted bank financing.

5 The bank financing fell through which is
6 where Mr. Abdullatif comes in to actually buy the note
7 rather than the note being canceled through refinancing.
8 The problem is that while the old note holder signed
9 this lien release in connection with a potential bank
10 financing, the bank financing never occurred. This
11 document has zero force and effect. However,
12 somebody --

13 *THE COURT:* Just for grins, which one are
14 you holding up?

15 *MR. SAMPSON:* Excuse me.

16 *THE COURT:* You said "this document."
17 What is that?

18 *MR. SAMPSON:* This is the ASI,
19 Architectural Services, Inc., lien release that was
20 signed in September but not filed for over a year. We
21 will prove one way or another, once we go through
22 discovery, somebody on the other side of us, in that
23 case and in this case had this invalid lien release from
24 a transaction that never occurred and they had it and
25 held it for a year and they filed it when they were just

1 about to refinance the property again. And what I'm
2 about to show you through other real estate records, is,
3 Your Honor, what happened was this invalid lien release
4 was filed so that a bank would make a loan to
5 Mr. Wakeland/Mr. Choudhri's company and satisfy as it
6 was paid off, not ERPILE's lien that it bought, but,
7 rather, the lien of a Choudhri-family-related-alleged
8 loan that somehow creeps in. After Mr. Abdullatif buys
9 this note, out of whole cloth appears a \$4.3 million
10 promissory note for a loan made by one of Mr. Choudhri's
11 family member's company to Northpark. That's the loan
12 that gets paid off with some refinancing in October of
13 last year, not ERPILE. Because these guys made sure
14 that ERPILE's lien was gone. Cleared the way for their
15 own company to get paid.

16 And I'll finally add that what is really
17 remarkable about the Choudhri-related-family's-alleged
18 loan, it gets \$4.3 million paid off with some financing
19 in October of last year, is that that loan was allegedly
20 made October 30, 2009, three days after ERPILE buys its
21 notes, 4.3-million-dollar loan from a Choudhri related
22 company, AIGWT. However, Northpark in bankruptcy, we
23 talked about a Northpark bankruptcy which was in place
24 in early 2010, Northpark never discloses a thing about
25 any AIGWT note. The reason we will prove at trial is

1 because it never existed. Once the Choudhri family had
2 gotten rid of ERPILE's lien, it filed its own deed of
3 trust in the real property records and gets it paid off
4 by the refinancing rather than my client. That's what
5 is clear from the documents that are in the real
6 property records. That's what the document in the real
7 property records show. That's where this lien release
8 in Exhibit No. 4 signed in September for a deal that
9 never went through. Somebody held onto it and filed it
10 a year later so that a different note would get paid
11 off. That's what we have here.

12 MR. PHILLIPS: There's a couple of weeks
13 of testimony for him to be able to establish it but when
14 you trash in, trash out. I'll represent to Your Honor
15 is whatever kind of story his client has told him is not
16 consistent with the truth of the evidence that's before
17 Your Honor thus far in this trial which is this man was
18 to get \$300,000 and he was to obtain a loan. They have
19 never, and one question I would sure welcome you asking
20 him, where is the recording information on this transfer
21 of lien because all he had to do was file the transfer
22 of lien in the deed records and no one could have
23 released anything. He protects himself by filing the
24 transfer of lien. He refused to file the transfer of
25 lien. He had limited participation in this field. He

1 was to come into the deal, bring one million eight, earn
2 300,000. Now, there was another circumstance where you
3 could add 4500 a month for 18 months but that was
4 handled different. That was if there was a foreclosure.
5 That's probably not relevant for this hearing. But he
6 is limited to a handsome profit, 300,000. His million,
7 eight goes in and he had a lender that was supposed to
8 make a loan immediately, but he didn't do that because
9 he demanded to be paid a million rather than the --
10 either 900 or a million, rather than the 300,000 he had
11 agreed to earn. And he refused to file the release of
12 lien which he will not be able to explain to you why he
13 didn't put the release of lien of record because none of
14 these bad things that they are talking about could have
15 happened. But for his filing --

16 *THE COURT:* Let's get away from the
17 argument. Are you going to pass him soon?

18 *MR. SAMPSON:* After I go through three or
19 four real property records to show you.

20 *THE COURT:* All right.

21 *Q.* (BY MR. SAMPSON) With respect to Exhibit No. 4,
22 Mr. Abdullatif, this document, when was it signed?

23 *A.* It was signed on the third page. Shows it was
24 signed September 9, 2009.

25 *Q.* Does this document concern the promissory note

1 that ERPILE had bought?

2 MR. PHILLIPS: Which exhibit?

3 MR. SAMPSON: Exhibit 4.

4 Q. (BY MR. SAMPSON) Does this document pertain to
5 the promissory note, 4.5-million-dollar note that ERPILE
6 had purchased?

7 A. Yes.

8 Q. When was it filed in the real property records?

9 A. It was filed October 22nd, 2010.

10 Q. Over a year after it was signed?

11 A. Almost about thirteen plus month.

12 Q. Who filed it?

13 A. I don't know.

14 Q. Did you authorize anybody to file this for
15 ERPILE?

16 A. No, sir.

17 Q. Was this release part of a potential bank
18 refinancing in September '09 that never went through?

19 MR. PHILLIPS: Objection, may I take the
20 witness on voir dire? Objection, hearsay.

21 THE COURT: Which one do you want?

22 MR. PHILLIPS: Hearsay.

23 THE COURT: Sustained.

24 Q. (BY MR. SAMPSON) Mr. Abdullatif, have you
25 reviewed bank financing records for a transaction

1 between Northpark and a potential bank financier back in
2 September of 2009?

3 A. In October.

4 Q. September, October '09?

5 A. 2010.

6 Q. Have you seen any potential bank financing
7 documents relative to potential financing between
8 Northpark and the bank back in September, October
9 of 2009 that never went through?

10 A. No.

11 Q. Were you involved in any potential bank
12 financing between Northpark and a bank in September,
13 October '09?

14 A. No, sir.

15 Q. Did Ali Choudhri or anybody else make you aware
16 of a bank financing in September or October '09 that
17 fell through?

18 A. They mentioned during the bankruptcy hearing
19 there was financing but their partner never --

20 MR. PHILLIPS: Objection, hearsay.

21 THE COURT: Sustained.

22 A. Never, never --

23 THE COURT: When I sustain the objection,
24 stop talking, please.

25 THE WITNESS: Yes, ma'am. Thank you.

1 Q. (BY MR. SAMPSON) When did you find out about
2 the existence of this release of lien in Exhibit No. 4?

3 A. October 22nd. When I found out about it, it
4 was September 13th, 2010 from the real property record
5 in Harris County.

6 Q. Is that the date you got the certified copy of
7 this document?

8 A. Yes.

9 Q. Did you learn in December 2010 that in addition
10 to this release of the lien that ERPILE had purchased
11 being filed, anything else was happening with respect to
12 Northpark Office Tower?

13 A. There was other documents regarding new loan
14 and new transfer of assets to secure my loan.

15 MR. PHILLIPS: Counsel has shown me D5.
16 We don't have any objection to D5.

17 MR. SAMPSON: Defendants would offer
18 Exhibit No. 5 which is a deed of trust regarding lender
19 First Community Credit Union.

20 THE COURT: Let me see it. Did you say no
21 objection, counsel?

22 MR. PHILLIPS: Correct.

23 THE COURT: Defendant's 5 is admitted.
24 The release of lien was 4, right?

25 MR. SAMPSON: Yes, Your Honor.

1 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is
2 Exhibit 5?

3 A. Exhibit 5 is a deed of trust.

4 Q. Do you know what property this deed of trust
5 refers to?

6 A. Refers to a property located in Harris County
7 at 1415 North Loop West owned by Northpark Office Tower,
8 LP.

9 Q. Is that the Northpark Office Tower building
10 that was the security for ERPILE's lien?

11 A. Yes.

12 Q. Who signed this deed of trust on behalf of 1415
13 North Loop West?

14 A. Would be signed by Ali Choudhri as the manager.

15 Q. And the date it was signed?

16 A. October 28, 2010.

17 Q. The security for this deed of trust is the same
18 security ERPILE had for the note it had purchased?

19 A. Yes.

20 Q. Who was the lender under this deed of trust?

21 A. First Community Credit Union.

22 Q. If you look on page two of this document, can
23 you tell the Court what the amount of the loan is that
24 was being made by First Community Credit Union with
25 respect to this property?

1 A. Well, it shows other specific debts,
2 \$6,500,000.

3 Q. So, a 6.5-million-dollar loan was being made
4 with respect to Northpark Office Tower building?

5 A. Yes.

6 Q. Did anyone make you aware that in October 2010
7 the property that ERPILE had a lien against was being
8 refinanced?

9 A. No.

10 Q. Did anyone make you aware that ERPILE's lien
11 that it had purchased was going to be released as part
12 of this refinancing?

13 A. No.

14 Q. Who owned the office building at Northpark
15 Office Towers at the time when ERPILE purchased the
16 note?

17 A. Northpark Office Tower, LP.

18 Q. Who was the individual in charge of running
19 Northpark?

20 A. Ali Choudhri.

21 Q. Who is the grantor of this deed of trust now in
22 October 2010?

23 A. 1415 NLW, LLC.

24 Q. Mr. Choudhri signed as manager of 1415 --

25 A. Yes.

1 Q. Do you have any idea why this deed of trust
2 references 1415 as the grantor as opposed to Northpark?

3 A. They did a transfer of assets from Northpark to
4 this entity.

5 MR. SAMPSON: Offer Defendant's 6, a
6 Special Warranty Deed between Northpark Office Tower and
7 1415 NLW.

8 THE COURT: Any objection?

9 MR. PHILLIPS: No objection to the
10 document.

11 THE COURT: Defendant's 6 is admitted
12 without objection.

13 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is
14 Exhibit 6?

15 A. Six is a special warranty deed.

16 Q. Who is deeding property -- who is the entity
17 that is actually deeding the property over?

18 A. Northpark Office Tower, LP.

19 Q. Who is the entity that's receiving the property
20 transfer?

21 A. 1415 NLW, LLC.

22 Q. Who signed the special warranty deed on behalf
23 of Northpark Office Tower?

24 A. Ali Choudhri, as the manager.

25 Q. Is the property that's being transferred under

1 the special warranty deed the office tower that serves
2 as a basis of the note and lien that ERPILE purchased?

3 A. Yes, sir, same property.

4 Q. What's the date of this transfer? When was it
5 recorded?

6 A. It was recorded October 29, 2010.

7 Q. The property was transferred from an entity
8 that was run by Mr. Ali Choudhri to an entity that was
9 controlled by Mr. Ali Choudhri?

10 A. It was signed October 27, 2010.

11 Q. By Mr. Choudhri?

12 A. By Mr. Choudhri, yes. October 27.

13 Q. On or around October 27, 2010, Mr. Ali Choudhri
14 transfers the property that serves as the security
15 interest of ERPILE's lien from one entity that he
16 controls to a different one?

17 A. Yes.

18 Q. At the same time, again, I believe that the
19 ERPILE lien release, excuse me, the ASI lien release in
20 Exhibit No. 4 was filed in late October 2010?

21 A. It was filed October 22nd, 2010.

22 Q. And that's the release that purported to
23 release the lien that ERPILE had purchased?

24 A. Yes.

25 Q. So, at around the same time that ERPILE's lien

1 was being released and a 6.5-million-dollar loan was
2 being made on the property, the property was also
3 transferred from one Choudhri entity to another?

4 A. Yes.

5 MR. SAMPSON: Your Honor, defendants offer
6 as Exhibit 7 a deed of trust, security agreement and
7 absolute assignment of rents dated October 30, 2009 with
8 Northpark Office Tower as the grantor.

9 THE COURT: Again, this is relevant how?

10 MR. SAMPSON: Because it shows the fraud.
11 This is the lien that was -- the loan that was
12 apparently made in October 2009 but it was not filed of
13 record until October of 2010 in order to get paid off by
14 the 6.5-million-dollar loan rather than ERPILE's lien
15 being paid off.

16 THE COURT: Okay. Are y'all going to
17 object to Defendant's Exhibit 7?

18 MR. PHILLIPS: We don't think it's
19 relevant, but we're not objecting to the authentication.

20 THE COURT: Defendant's 7 is admitted. I
21 had questions about the relevancy, too; but I assume he
22 will clear this up. Let me ask you all this: Have
23 you-all seen any of these deeds prior to today?

24 MR. PHILLIPS: I'm sure my client has. I
25 am sure these are legitimate deeds.

1 THE COURT: That wasn't my question.

2 MR. PHILLIPS: I haven't seen them, no,
3 ma'am.

4 THE COURT: I was wondering if they get
5 how they are relevant, too, that's all.

6 MR. SAMPSON: Your Honor, all of these
7 documents are attached to the big petition we filed in
8 district court --

9 THE COURT: So, they have seen them.

10 MR. SAMPSON: Absolutely.

11 MR. PHILLIPS: Depending on whether or not
12 they've been served. I mean, I am not arguing with him.
13 I am saying I don't know how they are relevant, but I am
14 not objecting to them being authentic, because he showed
15 me the certified copies.

16 THE COURT: All right.

17 Q. (BY MR. SAMPSON) Mr. Abdullatif, we've seen the
18 6.5-million-dollar loan in October of 2010. It seems
19 that somebody filed a purported lien release of lien
20 that ERPILE had purchased. Do you know from reviewing
21 the real estate document what lien or note was being
22 paid off in connection with the 6.5 million-dollar
23 financing?

24 A. A promissory note from a deed of trust to a
25 company called AIGWT, Inc.

1 Q. Is that what is reflected in Exhibit No. 7?

2 A. Yes.

3 Q. What is the date of this deed of trust in
4 Exhibit No. 7? It's on the front page.

5 A. October 30, 2009, date of effective.

6 Q. Who signed this deed of trust back on page 13
7 on behalf of Northpark?

8 A. On behalf of Northpark, it will be Ali Choudhri
9 as the manager.

10 Q. What is Ali Choudhri's mother's name?

11 A. Shahnaz Akhter Choudhri.

12 Q. Who is the trustee under this deed of trust?

13 A. Shahnaz Akhter.

14 Q. So, Mr. Ali Choudhri, who executed this deed of
15 trust, his mother is actually the trustee on behalf of
16 AIGWT?

17 A. Using her maiden name, yes.

18 Q. This effective date of October 30, 2009, first
19 of all, down under the obligation, you see the
20 obligation references an October 30, 2009 promissory
21 note in the amount of \$4.3 million executed by Northpark
22 and payable to AIGWT?

23 A. Yes.

24 Q. This effective date of this deed of trust and
25 of the note, this alleged note, is October 30, 2009,

1 right?

2 A. Yes, sir, October 30, 2009.

3 Q. How long after the date that you had paid
4 money, 2.4 million, to purchase the note and lien was
5 this promissory note in Exhibit 7 made?

6 A. Three days.

7 Q. Did anybody ever tell you about the note or
8 deed of trust that is reflected in Exhibit No. 7?

9 A. No, sir.

10 Q. Allegedly and according to this document, the
11 4.3 million-dollar loan was made in October of 2009; is
12 that right?

13 A. Yes, October 30, 2009.

14 Q. When was this deed of trust actually filed of
15 record?

16 A. October 22, 2010, almost a year after.

17 Q. Approximately a year later?

18 A. A year and 22 days, yes.

19 Q. That's at virtually the identical time when
20 Northpark was obtaining this 6.5-million-dollar loan on
21 its property?

22 A. Same week, same time.

23 Q. It's roughly the same time that the lien
24 release for the lien that ERPILE had purchased which was
25 a year old --

1 A. Yes.

2 Q. Rather than 6.5-million-dollar loan going to
3 pay off the note that ERPILE purchased, that money
4 actually went to pay off this alleged note reflected in
5 Exhibit No. 7; is that right?

6 A. Yes, presumably.

7 MR. PHILLIPS: I am not going to have an
8 objection.

9 MR. SAMPSON: Defendants would offer
10 Exhibit No. 8 which is a full release of liens and
11 security interests executed by AIGWT regarding this
12 4.3-million-dollar note that we just went through.

13 THE COURT: Any objection to Defendant's
14 8?

15 MR. PHILLIPS: I have no objection with
16 regard to the authentication of the document. I don't
17 know how it's relevant.

18 THE COURT: Are you saying objection,
19 relevancy or are you saying objection --

20 MR. PHILLIPS: I have no object --

21 THE COURT: Pick one, counsel. You either
22 object or you don't.

23 MR. PHILLIPS: Objection, not relevant.

24 THE COURT: Tell me again why it's
25 relevant.

1 MR. SAMPSON: This is the lien release
2 that Ali Choudhri's mother filed.

3 THE COURT: Secured.

4 MR. SAMPSON: After her alleged
5 4.3-million-dollar promissory note got paid off with
6 this 6.5-million-dollar loan, she filed this lien
7 release on behalf of her company. What all of this
8 reflects is how this group of defendants in the district
9 court case and Mr. Wakeland, the plaintiff behind ERPILE
10 in this case, was part of it, how they absolutely cut my
11 client and his company out of repayment of their note
12 and instead inserted this Choudhri-related-family note
13 to be paid off to the tune of \$4.4 million.

14 THE COURT: Since I let all the other
15 stuff in, I'll let this in, too, otherwise, there will
16 be a hole in it.

17 Q. (BY MR. SAMPSON) Mr. Abdullatif, what is this
18 document, Exhibit No. 8?

19 A. Full release of liens and security interests.

20 Q. Who signed this document?

21 A. The document is signed by a name of Shahnaz
22 Akhter.

23 Q. Is that Ms. Choudhri?

24 A. That's Ms. Choudhri.

25 Q. Did she sign as president of AIGWT?

1 A. Signed as president of AIGWT, Inc.

2 Q. You can see down at the bottom of this release
3 of lien, the document says for good and valuable
4 consideration, including the payment in full of the
5 note, that's this 4.3-million-dollar note, AIGWT
6 releases and forever discharges its liens, et cetera; is
7 that right?

8 A. Yes.

9 Q. Did ERPILE ever get paid in full on the note it
10 had purchased?

11 A. No, sir.

12 Q. But the AIGWT loan made subsequent --

13 MR. PHILLIPS: I'm sorry. I object,
14 hearsay. When he said did ERPILE ever get paid in full,
15 I object, hearsay. There's no predicate that's been
16 laid. I request to take him on --

17 THE COURT: You are going to have to give
18 me a date to know whether he was officially, according
19 to them, with ERPILE. And if he was, according to you,
20 give me some facts to back that up. I don't know how to
21 answer that.

22 MR. SAMPSON: I can ask it a different
23 way.

24 THE COURT: Do that.

25 MR. PHILLIPS: Sustained?

1 THE COURT: Yes, because he is going to
2 ask it a different way and perhaps it will be clearer.

3 Q. (BY MR. SAMPSON) Mr. Abdullatif, to your
4 knowledge, has the note that ERPILE purchased ever been
5 paid in full?

6 A. No, sir.

7 MR. PHILLIPS: Objection, hearsay.

8 THE COURT: Overruled. He either has
9 knowledge or he doesn't.

10 MR. PHILLIPS: May I take the witness on
11 voir dire to determine --

12 THE COURT: No. You can cross-examine him
13 on this issue in a minute.

14 MR. PHILLIPS: Thank you, Your Honor.

15 THE COURT: We will take a break when he
16 gets done introducing his documents, if he gets done
17 introducing his documents. Are you getting closer,
18 counsel?

19 MR. SAMPSON: I am very close, Your Honor.

20 Q. (BY MR. SAMPSON) To your knowledge, ERPILE
21 never had its note paid in full?

22 A. No, sir.

23 Q. Is that correct?

24 A. Yes, that's correct.

25 Q. But from the documents does it appear that

1 AIGWT which had a subsequent note had its note paid in
2 full?

3 A. According to this release, yes.

4 Q. A 4.3-million-dollar note?

5 A. Almost 4.3-million-dollar note.

6 Q. AIGWT, the president of that company, was the
7 mother of Ali Choudhri?

8 A. Yes.

9 Q. Who is the current president of AIGWT?

10 A. Richard Wakeland.

11 Q. Richard Wakeland, who filed this lawsuit on
12 behalf of ERPILE, is currently the president of AIGWT?

13 A. Yes.

14 Q. Mr. Abdullatif, do you have any intention of
15 taking any actions on behalf of ERPILE other than
16 pursuing a claim on its behalf in the 269th District
17 Court that's been pending now for awhile?

18 A. No, sir.

19 Q. For how long has that claim on behalf of ERPILE
20 been pending?

21 A. Almost seven weeks already, almost two months.

22 Q. How much money are you seeking on behalf of
23 ERPILE in that district court case?

24 A. Approximately \$3 million, close to 3 million.

25 MR. SAMPSON: Pass the witness.

1 *THE COURT:* Thank goodness. I mean that
2 nicely, counsel, but good grief. You can step down. We
3 will take a ten-minute break. You need to address some
4 of the deeds that came in.

5 *MR. PHILLIPS:* The deeds?

6 *THE COURT:* Well, deeds and documents.
7 All of these exhibits he brought in that are raising
8 questions about the nature of the whole deal at least on
9 your client's side. You need to address some of that.

10 *MR. PHILLIPS:* I shall, but I have the
11 cart in front of the horse.

12 *THE COURT:* Fair enough.

13 *MR. PHILLIPS:* I'll get there near the
14 end.

15 *THE COURT:* You can put your horses in
16 front of the cart. That's fine. Be sure at some point
17 you address this.

18 *MR. PHILLIPS:* I shall.

19 *(Recess taken)*

20 *MR. PHILLIPS:* Mr. Fleming is going to
21 address a little bit your question.

22 *THE COURT:* Which one? Which question?

23 *MR. FLEMING:* You wanted us to talk about
24 some of the documents. These documents, these deeds,
25 these liens, these transactions, they are all consistent

1 with what our position is in this case. And that is
2 that Mr. Abdullatif was not going to end up with any
3 security interest. He was not going to end up with any
4 control of this ERPILE company. He knew at the time he
5 signed the participation agreement that the membership
6 could be transferred at any time by Mr. Choudhri to his
7 designee which is why these are completely consistent
8 with that. If you look at every one of these
9 transactions when they were done, they are consistent
10 with actions taken by somebody who controls ERPILE.
11 It's our position and the position of our clients that
12 they control ERPILE and they can activate the assignment
13 of membership interest anytime, which they did do, and
14 which had been done when they ended up filing that
15 release. Any other questions?

16 *THE COURT:* A whole bunch, but not for
17 right this second.

18 *MR. PHILLIPS:* May I go forward with
19 questioning the witness?

20 *THE COURT:* Yes.

21 **REDIRECT EXAMINATION**

22 **BY MR. PHILLIPS:**

23 Q. Are you comfortable if I call you Mr. Latif?
24 Will that be how --

25 *THE COURT:* Come on, let's use the same

1 name. If everybody else can say Abdullatif, so can you.

2 Q. (BY MR. PHILLIPS) Mr. Abdullatif, what do you
3 call or how do you identify the real estate investment
4 that is reflected in Defendant's Exhibit No. 3? Three
5 is this copy of a trustee's memo. What do you call that
6 real estate investment? It's 855,000 checks total.

7 A. What's your question?

8 Q. What do you call it?

9 A. This one?

10 Q. Yes, sir. What do you call that real estate
11 investment?

12 THE REPORTER: I'm sorry?

13 THE COURT: Not one of us heard you.

14 A. What are you asking me? This is a receipt. Is
15 that what you asked?

16 MR. SAMPSON: I'll object to the question
17 as vague.

18 Q. (BY MR. PHILLIPS) How do you identify this in
19 your dealings? What do you call this investment?

20 A. Purchase of real estate property at the
21 auction, at the trustee auction.

22 Q. Where is the property located? If you have a
23 financial statement, what do you put on your financial
24 statement that reflects this investment?

25 A. If it reflects an investment, it will be a

1 property in Bellaire.

2 Q. Is it a property in Bellaire?

3 A. I don't know the physical address of it. I'll
4 get you the physical address of it.

5 THE COURT: Relax. This is not a trick
6 question. This is, for example, the Northpark Office
7 Building. You call it the Northpark Office Building.
8 Do you have a name that you call this particular
9 property?

10 THE WITNESS: Yes. We go by legal
11 description. Lot 23 and Lot 26 of Teas Garden, Section
12 3 in Harris County, Texas.

13 THE COURT: There's your answer, counsel.

14 Q. (BY MR. PHILLIPS) Have you ever described this
15 property on a financial statement, your ownership in
16 this property on a financial statement?

17 A. Most likely I did, yes.

18 Q. What did you call it on the financial
19 statement?

20 A. Either Bellaire property or can be called Teas
21 Garden or the physical address of the property, which I
22 don't have in here.

23 Q. Did you have a written investment agreement
24 with Ali Choudhri for Lot 23, 26 or the Bellaire
25 property, whatever the actual name is?

1 A. The receipt and the copy of the checks we have.
2 I don't have it right there.

3 Q. What percentage of it was Ali to own?

4 A. We were supposed to, if we keep the property
5 the way we bought it, we would have to split the
6 profits.

7 Q. 50/50?

8 A. We usually split the profit -- the money split
9 the profit 50/50 and the work that's being done gets
10 50 percent.

11 Q. Did you have any -- did you take -- when did
12 you place this property into Ali's name to reflect his
13 50 percent ownership?

14 A. I did not. I would not change the deed. The
15 deed of trust was the deed of trust that was given by
16 the trustee. It was under Latif and Company.

17 Q. So, you're saying that this property -- is it
18 titled today as Latif and Company or have you sold it?

19 A. The property was sold during 2010, at some time
20 during 2010.

21 Q. How much money did you pay Ali Choudhri in 2010
22 from his one-half interest in this property?

23 A. I did not.

24 Q. Why not?

25 A. Because Ali Choudhri during the month of

1 December when he looked at the property, he decided he
2 doesn't want to be part of the deal. So, we put the
3 money in another deal.

4 Q. What was the other deal that you put the
5 \$600,000 in? What was it called?

6 A. Ali was in conflict with Sterling Bank over a
7 loan that he had with the Houston real estate property.
8 So we purchased that and then I added some more
9 money because he wasn't -- the Bellaire dealer, he said,
10 was too slow and it would take too long to finish.

11 Q. This Sterling Bank loan, Ali transferred nine
12 lots, nine houses or nine pieces of real estate to you
13 on that transaction and you borrowed money from Sterling
14 Bank, right?

15 A. I think it was -- to correct you, I think it
16 was seven.

17 Q. Your testimony is -- and you still hold those
18 lots, right?

19 A. I hold those lots in an agreement that I had
20 with Ali Choudhri, yes.

21 Q. And have you filled out financial statements
22 saying you own 100 percent of those lots?

23 A. The money was used to purchase the note, if you
24 want us to clarify that issue. We purchased the note, a
25 promissory note and a Houston real estate property

1 during the month of December.

2 Q. Are there any written documents that establish
3 that you moved this \$600,000 into this Sterling Bank
4 transaction?

5 A. We did --

6 THE REPORTER: Say that again, please.

7 A. We did a participation agreement to participate
8 in the Houston real estate property between me and Ali
9 Choudhri.

10 Q. (BY MR. PHILLIPS) Do you have a copy of that
11 participation agreement?

12 A. Ali has a copy of that participation agreement.

13 THE COURT: No, no. He is asking you if
14 you have a copy.

15 A. No.

16 Q. (BY MR. PHILLIPS) Do you have a copy of that
17 agreement?

18 A. No, sir, I don't.

19 Q. Who drafted the agreement?

20 A. Was drafted by Ali's associate or by him or
21 somebody that work for him.

22 Q. You've sold the property that you claim the
23 600,000 was invested in and it's no question, Ali didn't
24 get his 600,000 back, right?

25 A. The property was sold way after this money was

1 used in the Houston real estate property.

2 Q. Do you have any document that ties this 600,000
3 into a transaction other than the document reflected in
4 the participation agreement?

5 MR. SAMPSON: I'll object to the
6 foundation of that question.

7 THE COURT: Sustain. Now there's two.
8 Which participation --

9 MR. PHILLIPS: The participation agreement
10 that's in evidence --

11 THE COURT: Counsel, don't talk over me.
12 Which participation agreement are you referring to?

13 MR. PHILLIPS: The participation
14 agreement, Plaintiff's Exhibit No. 7, in evidence.

15 MR. SAMPSON: I'll still object to
16 foundation to the extent there's been no evidence that
17 the \$600,000 is tied to that participation agreement at
18 all.

19 THE COURT: Except that it recites
20 \$600,000.

21 MR. SAMPSON: Right.

22 THE COURT: And what he's saying is, do
23 you have another agreement that recites \$600,000 that
24 could purportedly represent this money that was rolled
25 from property to property?

1 MR. SAMPSON: Right.

2 THE COURT: That's a question. You can
3 answer that one.

4 MR. SAMPSON: Is a question on the table?

5 THE COURT: I said he can answer that
6 question.

7 THE WITNESS: I'd like to hear that
8 question again.

9 THE COURT: Is there another document that
10 purportedly represents the \$600,000 that has rolled from
11 property to property other than the original
12 participation agreement that references the \$600,000 in
13 Exhibit 7?

14 THE WITNESS: There was another
15 participation agreement, Your Honor, that has nothing to
16 do with the ERPILE that they're claiming. It has
17 something to do with the Houston real estate
18 properties and Ali Choudhri --

19 THE COURT: Stop. I didn't ask you if
20 there was another participation agreement. I said, is
21 there another document that references the \$600,000?

22 THE WITNESS: Not specifically, to my
23 knowledge.

24 THE COURT: I think that was his question.
25 Right, counsel?

1 MR. PHILLIPS: That is.

2 THE COURT: He said no.

3 Q. (BY MR. PHILLIPS) I show you what's been marked
4 Plaintiff's Exhibit No. 8. This has been previously
5 marked and shown to counsel.

6 MR. SAMPSON: What is this?

7 MR. PHILLIPS: Eight.

8 MR. SAMPSON: I don't have 8.

9 Q. (BY MR. PHILLIPS) Is this your signature on
10 Plaintiff's Exhibit 8?

11 A. It looks like my signature, but I didn't sign
12 this document. This looks like my signature, yes.

13 Q. So, you don't dispute this is your original
14 signature?

15 MR. SAMPSON: Objection.

16 A. It looks like my signature.

17 THE COURT: I think he is disputing it.
18 He says, "It looks like my signature, but I didn't sign
19 it." To me that's a dispute.

20 Q. (BY MR. PHILLIPS) So that I can make sure that
21 I -- okay. You see this is an original signature. You
22 see that?

23 THE COURT: He is saying it's not a xerox.
24 It's not a photocopy. It's an original signature.

25 A. Yes, I see that.

1 Q. (BY MR. PHILLIPS) Are you the individual who
2 placed pen in hand and wrote that original signature on
3 that page?

4 A. No, I did not sign this page. That looks like
5 my signature.

6 Q. You deny this is your original signature?

7 A. I deny I signed this document, and this is
8 signature that I deny.

9 THE COURT: Yes, he denies it.

10 Q. (BY MR. PHILLIPS) I want to show you
11 Plaintiff's Exhibit No. 10 that was previously marked, I
12 believe. Do you see these are original ink signatures
13 on Plaintiff's Exhibit No. 10. Do you observe that?

14 A. I observe that in a black pen.

15 Q. Is that your signature? Are either -- okay.
16 Is the first of the two signatures your signature?

17 A. I told you it looks like my signature.

18 THE COURT: You didn't tell us, because he
19 hadn't asked you about that document. This is the first
20 question on the document. You haven't already told us.
21 Answer the question. Is it your signature?

22 A. It looks like my signature, Your Honor. But I
23 did not sign any assignment membership to anybody.

24 Q. (BY MR. PHILLIPS) Did you take pen in hand and
25 draw this original signature on this piece of paper?

1 A. It looks like my signature; but, no, I did not
2 take a pen to paper on this page.

3 Q. How about the second signature on that page, is
4 that your signature?

5 A. Pen in hand, what do you mean?

6 *THE COURT:* Did you put a pen in your hand
7 and sign the paper?

8 A. No, I did not. This looks like my signature,
9 but I did not sign the documents.

10 Q. (BY MR. PHILLIPS) You deny that you are the
11 human being that wrote those two signatures on
12 Plaintiff's Exhibit 10?

13 A. As I told you, sir, it looks like my signature.
14 I did not sign this document, and I did not sign it.

15 Q. Are you denying that these original signatures
16 were placed there by you?

17 A. It looks like my signature. I did not sign
18 this document.

19 Q. Are you denying that you placed these
20 signatures, that's all I'm asking, yes or no?

21 A. I did not sign these documents.

22 Q. I believe it calls for a yes or no answer as to
23 whether or not he placed his signature.

24 *THE COURT:* He needs to answer the
25 questions actually asked so he doesn't have to ask it 15

1 times.

2 MR. SAMPSON: I thought he answered it 15
3 times.

4 THE COURT: No, he hasn't answered it yet.
5 Answer the question he is actually asking.

6 Q. (BY MR. PHILLIPS) Do you deny that you wrote
7 those original signatures, the two original signatures
8 on Plaintiff's Exhibit 10?

9 A. Yes.

10 Q. I'm going to show you Plaintiff's Exhibit No.
11 11. Did you sign your name on that document?

12 A. What is this document? I haven't seen it.

13 Q. Just look at it.

14 A. Okay.

15 Q. It is what it is.

16 A. Yes.

17 Q. You signed Plaintiff's Exhibit 11?

18 A. Yes.

19 Q. Is this your handwriting on Plaintiff's Exhibit
20 11?

21 A. Yes.

22 Q. Did you write the ASOF on Plaintiff's Exhibit
23 No. 11?

24 A. I cannot say if I did or not, because this is
25 something that doesn't stand for anything that I would

1 think of. This is a document, another transaction that
2 they had.

3 MR. PHILLIPS: At this time, Your Honor, I
4 offer what's been marked Plaintiff's Exhibit 8, 10 and
5 11.

6 THE COURT: Are some of them already in
7 evidence in some way, shape or fashion as in any
8 original transcript or are these all new?

9 MR. PHILLIPS: No. Eight and ten, Your
10 Honor, are original documents that were previously
11 marked but not used.

12 THE COURT: Any objection?

13 MR. SAMPSON: Yes, Your Honor. Lack of
14 foundation. This witness said he didn't sign them. He
15 has never seen these documents until he was served with
16 the lawsuit back in January. So, there's no foundation.

17 THE COURT: He didn't say about the last
18 one.

19 MR. SAMPSON: The last one I don't have a
20 problem with. 8 and 10, I object.

21 THE COURT: Counsel, my only concern, I
22 have no idea what they are, where they came from. What
23 are they?

24 MR. SAMPSON: He doesn't know either.

25 MR. PHILLIPS: Plaintiff's Exhibit No. 8

1 is the resignation from ERPFILE.

2 THE COURT: Isn't it already in evidence,
3 though?

4 MR. PHILLIPS: I think so.

5 THE COURT: This is my question: Is this
6 something I've already ruled on that was part of the
7 transcript from the beginning from the first round of
8 this trial? I understand that's the original, but I
9 want to know if it's already in evidence.

10 MR. PHILLIPS: It's already in evidence.

11 THE COURT: What about the other one?

12 MR. PHILLIPS: 10 is already in evidence.

13 THE COURT: Since they are already in
14 evidence, I'm going to let them in because they are
15 already in.

16 MR. SAMPSON: For the same reason that I
17 objected to the entry of Exhibit No. 1 which contains
18 these, I allege inadmissible documents, I'll again
19 object.

20 MR. PHILLIPS: And 11?

21 MR. SAMPSON: Eleven I'm fine with.

22 THE COURT: Eleven he didn't object to.
23 It's in, too. Is that also including the original
24 transcript?

25 MR. PHILLIPS: No, Your Honor.

25

1 STATE OF TEXAS

2 COUNTY OF HARRIS

3
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5 and for County Civil Court at Law No. 3 of Harris, State
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